

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
CORE SCIENTIFIC, INC. <i>et al.</i>	§	Case No. 22-90341-DRJ
	§	
Debtors <sup>1</sup>	§	(Jointly Administered)

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**HUMPHREY & ASSOCIATES, INC.’S JOINDER IN THE OBJECTION OF  
McCARTHY BUILDING COMPANIES, INC. TO THE DISCLOSURE STATEMENT  
FOR JOINT CHAPTER 11 PLAN OF CORE SCIENTIFIC, INC. AND ITS DEBTOR  
AFFILIATES**

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Humphrey & Associates, Inc. (“Humphrey”) hereby files this Joinder in the Objection of McCarthy Building Companies, Inc. to the Disclosure Statement for Joint Chapter 11 Plan of Core Scientific, Inc. and its Debtor Affiliates, as follows:

**BACKGROUND**

1. Prior the commencement of these cases on December 21, 2022, and pursuant to a contract with McCarthy Building Companies Inc., Humphrey performed labor and provided materials for the electrical and fire alarm scopes of work on the Debtor, Core Scientific, Inc.’s (“Core”), Denton Data Center Project in Denton, Texas, located on or

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

around Jim Christal Road, Denton, Texas 76207 (the "Property" and/or the "Project"). Humphrey was not paid in full for its labor and materials provided pre-petition, and as a result perfected a Mechanic's and Materialman's Lien on the Property pursuant to Chapter 53 of the Texas Property Code (the "Mechanic's Lien"). The original Lien amount was \$9,365,366.20, and the amount owed at this time is \$7,036,021.06, excluding interest and attorney's fees. *See* Humphrey's Proof of Claim (No. 50) filed Apr. 14, 2023.

2. On August 16, 2023, this Court entered its Order approving Core's assumption of its lease with the City of Denton in connection with the Property. [D.I. 1153]. Humphrey's Mechanic's Lien extends to the Debtors' leasehold interest in the Property, and thus Humphrey is a fully secured creditor herein.

### **OBJECTION**

3. As set forth in McCarthy's Objection, in which Humphrey hereby joins, the Amended Disclosure Statement does not contain "adequate information" as required by section 1125 of the Bankruptcy Code.

4. In addition, the Amended Disclosure Statement cannot be approved because it describes an unconfirmable plan. Core proposes to assume its contract with McCarthy, but does not propose to promptly cure defaults under that contract as required by Bankruptcy Code section 365(b). Such defaults include payment of sums owed for work performed by McCarthy, Humphrey, and other subcontractors prior to the bankruptcy petition date. Rather, the plan intends to pay the claims of McCarthy,

Humphrey, and other subcontractors over ten years, while at the same time Core would require such parties to immediately and promptly resume and complete construction of the Project. As more fully explained in McCarthy's Objection, Core cannot require prompt, complete performance by McCarthy and Humphrey under the contract, and at the same time refuse to promptly cure defaults under such contract.

5. Further, the Amended Plan does not provide deferred cash payments that are equivalent value to Humphrey's claim under section 1129(b)(2)(A)(i) and also fails to provide McCarthy with the "indubitable equivalent" of its claim under section 1129(b)(2)(A)(iii).

6. For the reasons set forth above and as asserted in McCarthy's Objection, in which Humphrey joins, Humphrey requests that the Court deny approval of the Debtors' Amended Disclosure Statement, and prays for such other and further relief to which it may show itself to be justly entitled.

Date: September 6, 2023

Respectfully submitted,

/s/ Jason R. Kennedy

Jason R. Kennedy

State Bar No. 24027100

**LAPEROUSE KENNEDY, P.C.**

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ATTORNEYS FOR HUMPHREY &  
ASSOCIATES, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that on this 6th day of September 2023, a true and correct copy of this document will be served via the ECF System on all parties registered to receive ECF service in this case.

/s/ Jason R. Kennedy

Jason R. Kennedy